



# Cooperative Congress

## दोश्रो सहकारी महासम्मेलन



4-5 April, 2018 (२०७८ चैत्र २१-२२), Kathmandu

## Concept Paper

### 1. Background

The historical scenario of cooperative movement of Nepal had been introduced as an informal form of cooperatives before the establishment of Bakanpur Credit Cooperative of Chitwan district, Nepal on April 02, 1956, which was considered as the first formal cooperative society in Nepal. Thereafter, the trend of cooperative development is found to have been formally introduced. After the enactment of Cooperative Act 1992 the rapid growth of cooperatives underway.

Now the astonishment of cooperative data shows that there are altogether 34 thousand 5 hundred and 12 cooperatives, 69 District Cooperative Unions and 256 Sectorial District Level Cooperative Unions, 20 Sectorial Central Cooperative Federations, 1 National Cooperative Bank and 1 National Cooperative Federation of Nepal as an apex level organization. The current data shows that 6.3 million individual member with 51% participation of women enrolled in cooperative sector. In this outset, cooperatives are contributing for social-economic integrity, capital formation, leadership development, gender equality and social inclusion, entrepreneurship development and poverty reduction.

The constitution of Nepal 2015 stipulated three pillar economic policy i.e. public, private and Cooperative. The cooperative contribution in financial sector and gross domestic products is significant and in increasing order. Importantly, in this moment, the New Cooperative Act 2017 is promulgated and is in effect. Now the scenario has been radically changed and development of cooperative movement is noteworthy. It is noticed that that the cooperatives have a very good contribution to change the socioeconomic status of the society. Constitution of Nepal also emphasis and place cooperatives as an important means of socioeconomic development. Accordingly, The National Planning Commission of Nepal also place cooperatives in priority in terms of local level development and achieving Sustainable Development Goal (SDGs). Nepal Government and Ministry of Cooperatives and Poverty Alleviation (MoCPA) through the New Cooperative Act 2017 priorities cooperatives for inclusive development.

However, in spite of these positive findings in cooperatives there are still loopholes in and needs to be improved accordingly. Common problems, of the cooperative sector which are lack of adequate education and training. The concept three tier government, Federal, Provincial and Local level government is introduced but in the lacking of legislation the speedy recovery in socioeconomic development of social integration is in dilemma. There is no any tangible strategic direction of different sector including cooperatives. The massive awareness, interaction and critical discussion with different level governments to ensure the proximity of cooperatives for their stability. The cooperative movement has to do its best for the sustainable development agendas.

In the other hand the product diversification through cooperatives is also challenging and the institutional capacity development of monitoring and regulatory body is also essential for effective monitoring and evaluation. Still we need to establish governance and business strategy. In view of the self-realization of the fact this concept paper has been prepared since it has been in relatively proper and relevant to convene the first national cooperative congress in Nepal with a view to strengthening the cooperative sector and role to be played by it in future, to fix the target

determining the development policy to be followed, in the wide participation of Nepal government, stakeholders and cooperatives/unions, foreign cooperative agencies, national agencies and International Cooperative Alliance.

Imagining the scenario the First National Cooperative Congress was successfully held on Kathmandu dated 25-27 March 2014 with the theme "Sustainable Economic Development and Social Justice through Cooperatives". Numbers of targets and indicators projected by the then congress has been conquered, and some of them will be done accordingly in this interval.

## 2. Target/Indicators and Progress track of First National Cooperative Congress

S.N.	Activities	Targets/indicators for 2020	Progress
1	Participation		
1.1	Increasing members in cooperatives	8 million	6.3 million
1.2	Access of women and youth		
1.2.1	Women		
1.2.2	Members	50 percent	51 percent
1.2.3	Leadership	40 percent	38 percent
1.2.3	Increase Youth Participation	60 percent	
1.4	Extension of cooperative network in all rural municipality	Established in rural municipality where applicable	
1.5	Cooperative offices in all districts	Established in all 75 districts	State restructured in federalism. Now the local level government looks after cooperative
2	Persistent development		
2.1	Comprehensiveness in cooperative study and research	Developed and stipulated cooperative curriculum in university, secondary and higher secondary level education	
2.2	Comprehensive involvement in training for the development of cooperative entrepreneurship	5 hundred thousand	Significant
2.3	Establishment of Cooperative Information Center	Online format development	COPOMIS initiated
2.4	Amalgamation of cooperatives/unions	5 thousand	Amalgamation process going on
2.5	Institutional Strengthening of cooperative district and central level unions	75%	Ongoing
2.6	Establishment of Micro Agriculture industry	450	Some numbers have been established and is in effect
2.7	Establishment of Moderate Cooperative Industry	6	Progress
2.8	Access to agriculture production, storage, processing, marketing and importing agriculture items	Establishment of 15 Marketing dealership	Lobbying is under process
2.9	Establishment of specific cooperative subsidized outlet	200	Some numbers
2.10	Access to health, education, transportation, micro and moderate hydropower, tourism and insurance business	50	No progress because of unfavorable legal compliance

2.11	Cooperative in garbage management, renewable energy, production and ecological preservation	Tasks in ecological preservation	
2.12	Development of Cooperative Housing	10	Already developed cooperative housing working
2.13	Establishment of Cooperative Data Bank		COPOMIS in effect
2.14	Development of effective monitoring and regulation system	Separate mechanism has been developed in the involvement of government and cooperatives	Provisioned in the cooperative act 2017 for monitoring member organization for federations and unions
3	Identity		
3.1	Self-regulation and governance		
3.2	Unification in cooperative signboard and logo		Uniformity in cooperative signboard
3.3	Branding of cooperative production		Marketing of some branded production of specific cooperatives
4	Legal Environment		
4.1	A) Reasonable place of cooperatives in constitution and amendment of cooperative act and regulations	Amendment	Stipulated in constitution and new cooperative act promulgated
4.2	B) Formation of subject related act	Formulate	
4.3	Amendment of correlated act	Amendment	lobbying
4.4	Development of cooperative friendly taxation system	Formed cooperative friendly tax system	Addressed in new Cooperative Bill
4.5	Converting Sajha Sanstha into cooperatives	4	2
5	Share Capital		
5.1	Increment in Share Capital	42 Billion	71 Billion
5.2	Establishment of Cooperative Saving Guarantee Fund, Credit Guarantee Fund, and Credit Information Center	Ensuring Financial Transaction from cooperatives	Provisioned in New Cooperative Bill
5.3	Business expansion through national and international cooperative network	Marketing of possible products	

When we look after the above scenario, the significant numbers of targets and indicators set by First Cooperative Congress has been intervened whereas some of the activities have to be concluded in the partnership model with other stakeholders. In this circumstances, it is deemed necessary to encourage cooperatives for their meaningful intervention in the development process. From this objective too, the second cooperative congress has to be conducted within this fiscal year for the review and update the agendas of first national cooperative congress. The stakeholder would be National Cooperative Federation of Nepal, Ministry for Cooperatives and Poverty Alleviation, National Cooperative Development Board, Department of Cooperatives, All Sectorial Cooperative Central Unions, National Cooperative Bank including other stakeholders. At this outset, the second cooperative congress is believed to review to find out the implementing status of first congress. The concept of second cooperative congress is to set forth the way forward for the next years.

### **3. Rationale of Second Cooperative Congress:**

The context of global and Nepalese cooperative movement has been changed over the past decades. International Cooperative Alliance pledged global cooperative movement to work for the common goal and indicators set by UN Sustainable Development Goals and the UN member countries also consider cooperatives as driving vehicle to achieve the goal of SDGs. ICA has also set this year

theme for the international day of cooperatives " *Sustainable Consumptions and Productions of goods and services*" which would be deemed necessary to address through the mega events "Congress". The Constitution has prioritize cooperatives as a strong pillar of economic development. At the same time, New Cooperative Act of Nepal 2017 has been promulgated with wide approaches for the development of Cooperative Movement of Nepal. In this very important moment, the mega events of second cooperative congress of Nepal is believed to set the strategic direction to work together among different stakeholders for the common interest. The issues will be identified and set a tangible way forward the positive intervention and outcomes so far.

#### **4. Theme:**

"Cooperatives to Achieve Sustainable Development Goals"

#### **5. Objectives:**

- 5.1 Reviewing and revitalize the outcomes of Nepalese Cooperative Movement from the inception.
- 5.2 To increase the cooperative participation and contribution to achieve 2030 agendas of sustainable development goals
- 5.3 To develop trilateral sound relationship and cooperation within government, cooperatives and stakeholders
- 5.4 To find out the common problems and the tangible way forward to cope it
- 5.5 Strengthening Cooperative Businesses within 10 years as set by International Cooperative Alliance
- 5.6 Solidarity among cooperatives and common commitment

#### **6. Indicators of achievement:**

- 6.1. List of outcomes and coping strategies of Cooperative Movement of Nepal
- 6.2. Number of cooperatives participated to intervene for achieving 2030 SDG agendas
- 6.5 Increased number of trilateral memorandum of understanding with government and stakeholders
- 6.6 Number of identified list of genuine problems of cooperatives vis-a-vis remedies
- 6.7 Identified increased number of strengthening strategy of cooperative business model

#### **7. Working Paper presentation and discussion areas:**

- Role of local, provincial and federal government for the promotion of cooperatives; its structure and policy.
- Vision 2020: Cooperative Movement of Nepal
- Building Partnership among Public, Private and Cooperatives with reference to the three pillar Cooperative Participation for the implementation of sustainable development goal: National and International Perspectives
- Current Status of Financial Cooperatives; Challenges and Way forward
- Participation of Cooperatives for the Implementation of SDGs
- C2C business Model: challenges and potentialities
- Youth and Gender Involvement in Cooperatives
- Good Governance: a Key aspect of Cooperatives Sustainability
- Strategic engagement of Development Partners for achieving SDGs
- Uses of Technology in Cooperatives
- Successful Case Studies in Cooperatives

#### **8. Program:**

2<sup>nd</sup> Cooperative Congress of Nepal

#### **9. Organizer:**

National Cooperative Federation of Nepal and Ministry of Cooperatives and Poverty Alleviation

**10. Co-organizer:**

National Cooperative Development Board, National Cooperative Bank and Sectorial Central Cooperative Union and other stakeholders

**11. Sponsor:**

Cooperatives and other stakeholders

**12. Further Sponsorship Opportunities:**

The cooperative congress is specifically designed to promote, collaborate and provide opportunities to share ideas among national and international cooperatives experts and institutions. There are combinations of formal and informal sessions that facilitate networking and exchanges unique ideas among participants. The scale of the Congress allows participants in highly interactive conversations, to network directly with the cooperative entities. By pledging to become a Congress Sponsor, institutions and individuals will be recognized as helping to make the mega event possible. A number of different level sponsorship options are available via direct contact to [ncfcoop@gmail.com](mailto:ncfcoop@gmail.com).

**13. Program Date:**

4-5 April 2018

**14. Venue:**

Hotel Soaltee Crowne Plaza, Kathmandu

**15. General Participation:**

Nepal Government, National Cooperative Development Board, Representatives from Cooperatives and Unions -1200

Representatives from International Agencies/Diplomats-50

**16. Sectorial Participation:**

- Representatives from Government of Nepal, Ministry of Cooperatives and Poverty Alleviation, Other respective ministries and representatives from sectorial central cooperative unions and national cooperative bank
- Directors from National Cooperative Federation and Sectorial Central Cooperative Union
- Member of Parliaments from Central and Federal States
- Professors/Lecturers from universities
- Representatives from private sector
- Selected representatives from primary cooperatives covering all sectorial cooperatives
- Representatives from Stakeholders
- Cooperative experts and media personals

**17. Special Participation:**

International Cooperative Alliance President "Ariel Guarco", Argentina

**18. Registration:**

Generally the participants will be asked to cover their own travel and accommodation cost except some specific cases. A minimum registration fee will be charged (10,000 NPR) to cover the basic services throughout the two days congress. Breakfast, coffee break, lunch and refreshment along with program kits will be offered.

**19. Event Committees:**

The Main Celebration Committee and Program Steering Committee will be formed in the involvement of organizer and stakeholders. Some sub committees could be formed as necessary. The detail breakdown and structure of Main Celebration Committee and Steering Committee is included in separate annex.

## **20. Program Outline:**

### ***First Day***

8 am to 5 pm

Inauguration

General Paper Presentation and Remarks

Plenary Session

Sectorial paper presentation and Remarks

Plenary Session

Breakout Sessions

### ***Second Day:***

8 am to 5 pm

Sectorial Paper Presentation and Remarks

Plenary Session

Group Discussion within experts and conclusion

Declaration and Closing

## **21. 1 Exhibition:**

Cooperatives Products will be displayed side by side during the program

## **22. Resource Person:**

National and International Cooperative Experts

## **23. Logistics:**

Stationary Kits, Refreshment, Program meal and Hi-Tea

## **24. Report Drafting Committee:**

A joint committee from National Cooperative Federation of Nepal and Ministry of Cooperatives and Poverty Alleviation

## **25. Expected Outcomes:**

- Increment in the contribution of cooperative sector to achieve sustainable development goal 2030
- Reevaluate the outcomes of cooperative sector for its institutionalization
- Finding out the common problems of cooperative sector and common commitment to solve it
- Extended developed coordinating relationship among cooperatives and stakeholders
- Improved relationship and coordination level among government, national and international cooperative organizations.
- Comprehensive discussion on interrelated subjects of cooperatives and feasible way forward for the next 5 years.